



Committee On Finance

Max Baucus, Chairman

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Baucus Opposes House-Passed Physician Payment Bill, Calling it Either a False Promise to Physicians or a Legally-Questionable \$43 billion "Fix" That Costs the Same as Comprehensive Medicare Legislation S.3018

Today, Senator Max Baucus announced his opposition to H.R. 5063, a House-passed Medicare physician payment bill that some have claimed would "fix" the Medicare physician payment cut in 2003 for free. The bill language does not grant the Administration explicit authority to make the fix; it merely insulates the Administration from lawsuits resulting from a re-estimation of the "sustainable growth rate" set for 1998 and 1999.

On November 15, 2002, Senator Baucus and Senator Grassley, Chairman and Ranking Member of the Finance Committee, wrote to the Administration asking whether the language, if enacted, would permit them to make the physician fee "fix." Despite a request for a quick answer, the Administration has not yet responded to the letter.

Irrespective of claims that the physician fix has a zero cost, the Congressional Budget Office has weighed in otherwise, stating that if the Administration takes any action based on this language, the cost would be \$43 billion over 10 years. Thus, the 10-year estimated cost is roughly the same as S. 3018, the bipartisan comprehensive Medicare bill introduced by Senators Baucus and Grassley that would provide relief to rural providers, physicians, hospitals, nursing homes, home health agencies, beneficiaries, managed care plans, and States.

Senator Baucus stated, "I strongly support a correction to the Medicare physician payment formula for 2003, but I have determined that H.R. 5063, the House-passed Medicare physician payment bill, is absolutely the wrong way to go about it."

Senator Baucus continued, "The House-passed language attempts to 'fix' the physician problem for free through budget gimmickry and ineffective legal language. It does not give the Administration explicit authority to make the fix, and the Administration is not sure that the language even works. That is why some say that the so-called fix is free. It is no wonder I am skeptical. Either games are being played with legislative language and administrative authority – a dangerous precedent – or physicians are being sold a bill of goods that they should not count on to fix their problem. I oppose this provision as it is currently drafted, and I urge my colleagues to do the same."

